

Basel Committee
on Banking Supervision



BCBS implementation monitoring

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IFRS Advisory Council Meeting
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From policy to implementation

- The importance of full, timely and consistent implementation of post-crisis reforms
- The Committee's Regulatory Consistency Assessment Programme (RCAP)
 - Monitoring: have jurisdictions adopted the standards on a timely basis?
 - Assessment: are the national rules consistent with the standards?
 - Evaluation: do the rules produce the intended effect? Do the reported ratios faithfully and accurately reflect reality?

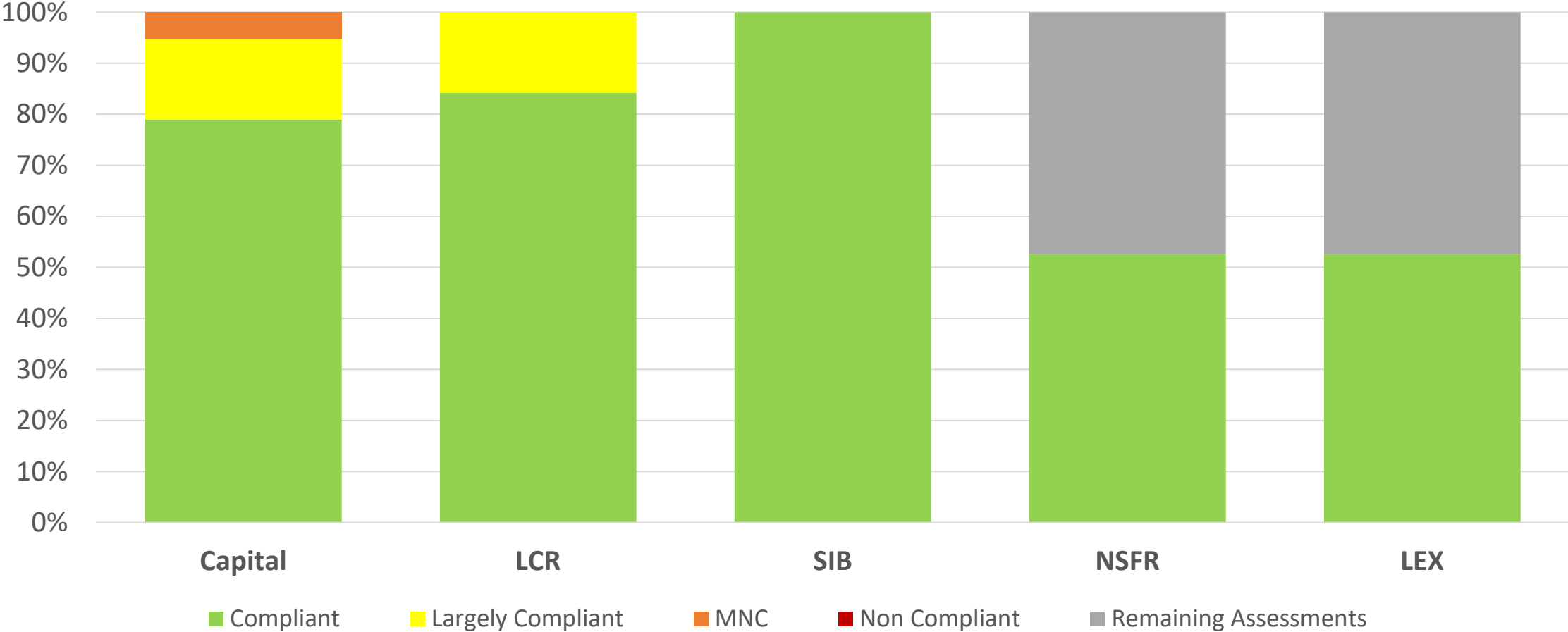
Monitoring timely adoption

- Semi-annual progress report on adoption of the Basel regulatory framework
- All member jurisdictions have risk-based capital rules (initial framework), liquidity coverage ratio (LCR) and capital conservation buffers in force
- Further progress in implementing other standards, eg the leverage ratio, the supervisory framework for measuring and controlling large exposures, the net stable funding ratio (NSFR), although a number of jurisdictions have yet to put these standards into effect
- Now turning to the implementation of final Basel III reforms (2023)

Assessing consistency

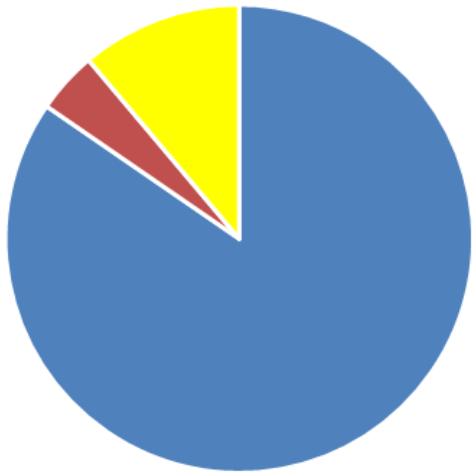
- All members to undergo an assessment on Basel Committee standards
 - Assessment reports published with overall grades (C, LC, MNC and NC)
 - All BCBS members have been assessed for:
 - Risk-based capital framework (2012-16)
 - Liquidity coverage ratio (2014-17)
 - G-SIB/D-SIB framework (2016)
- Publication of findings and follow-up actions
- Review of implementation of NSFR and LEX framework started in 2018
 - Other Basel standards, including final Basel III reforms, to be progressively included

Consistency assessments - Outcomes

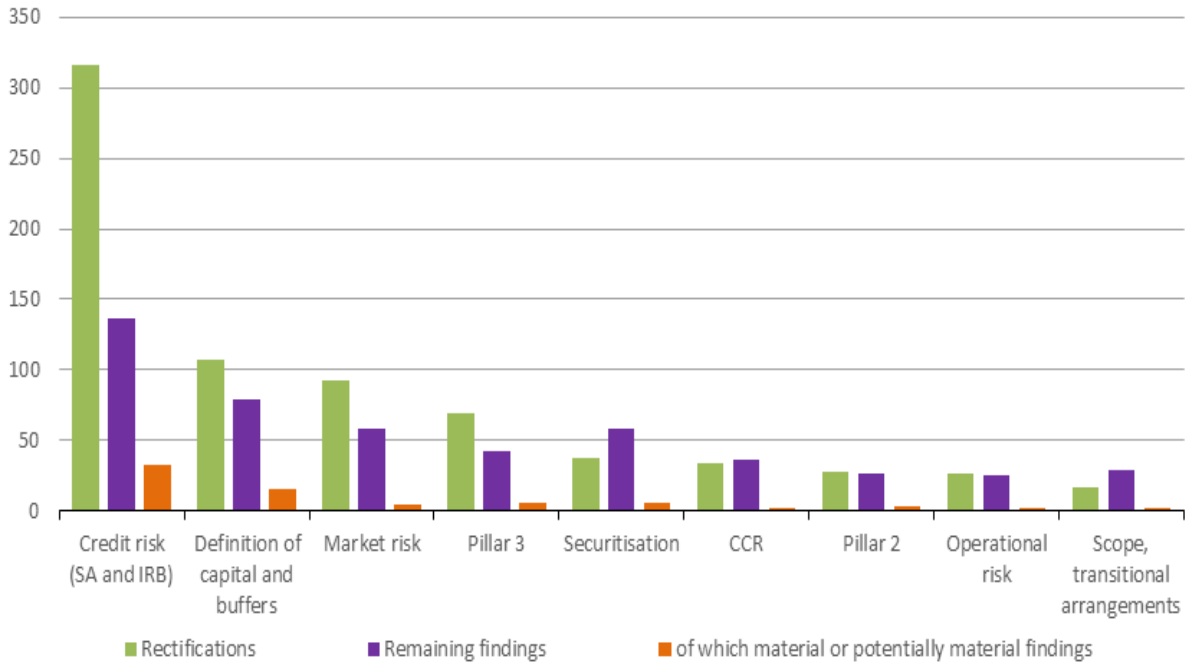


Risk-based capital assessments – Review completed

Risk based capital assessments: findings and rectifications



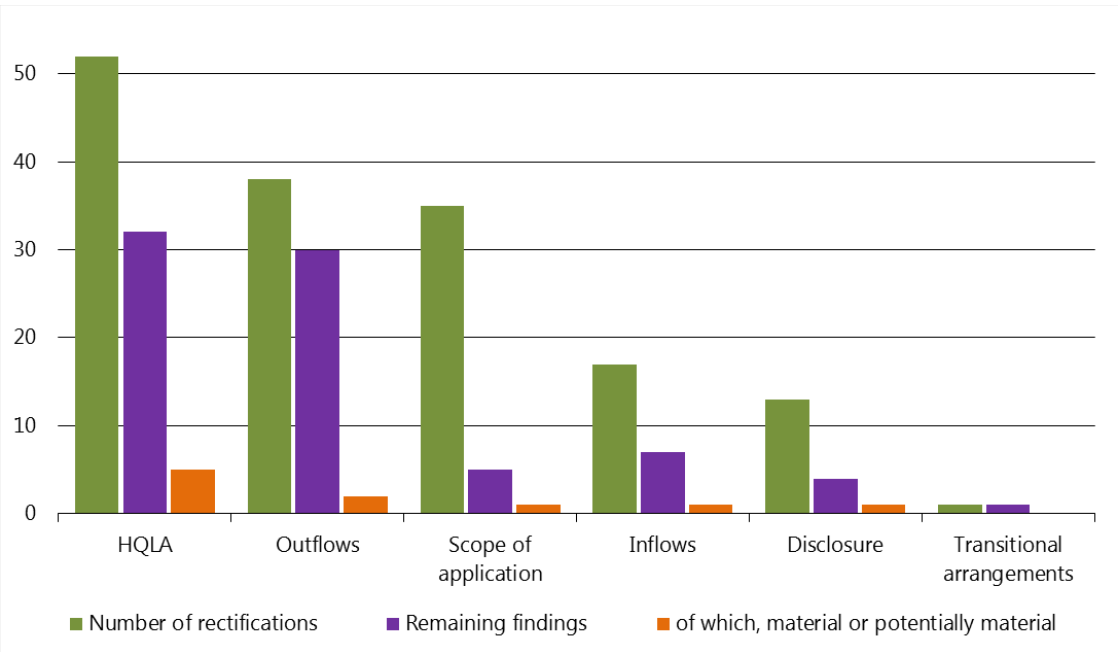
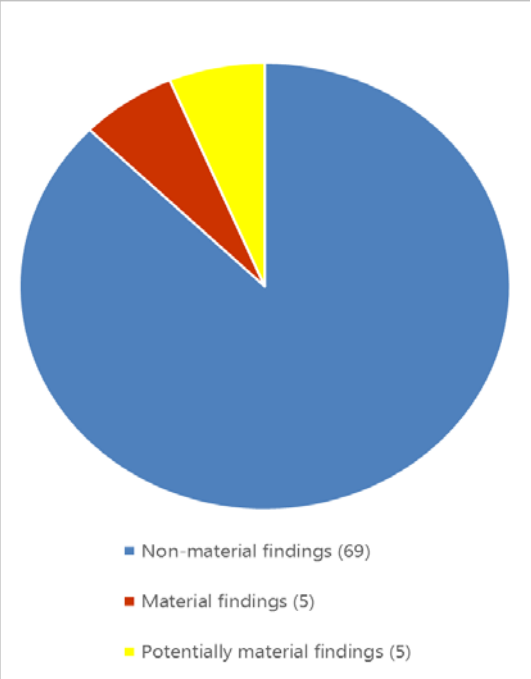
- Non-material findings (417)
- Material findings (21)
- Potentially material findings (55)



Source: BCBS Secretariat

LCR assessments – Review completed

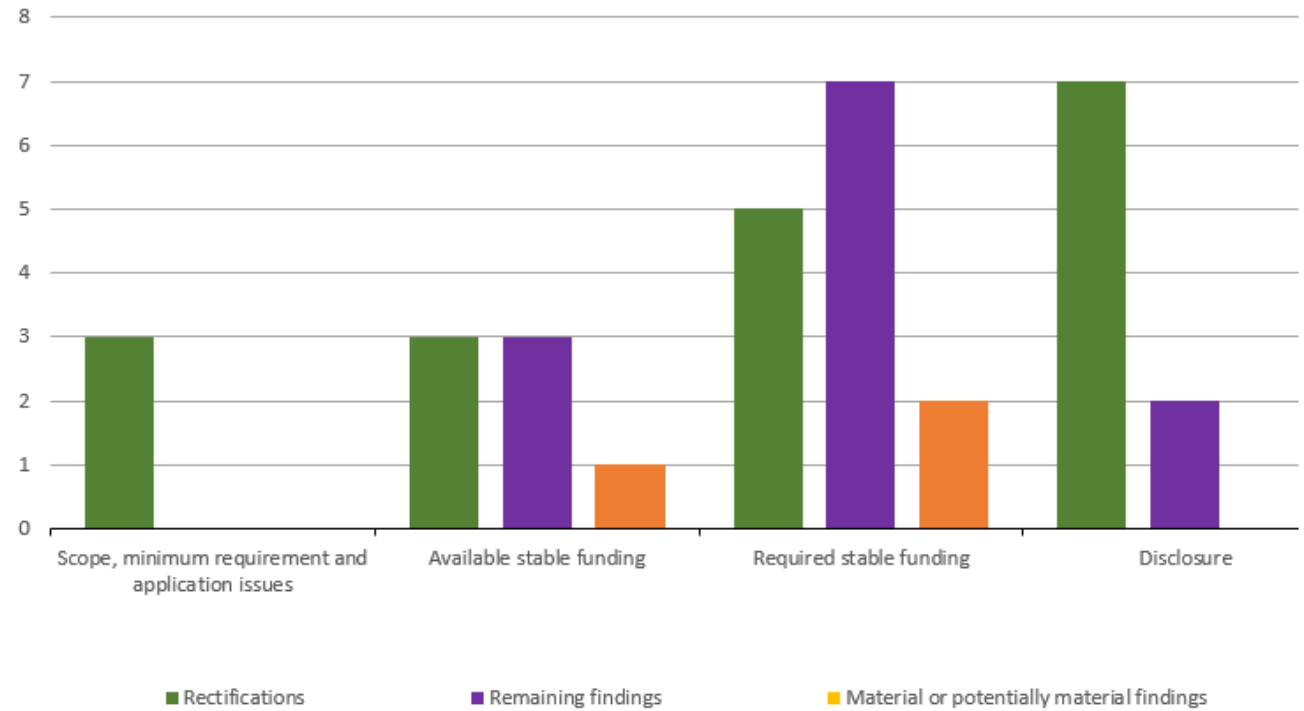
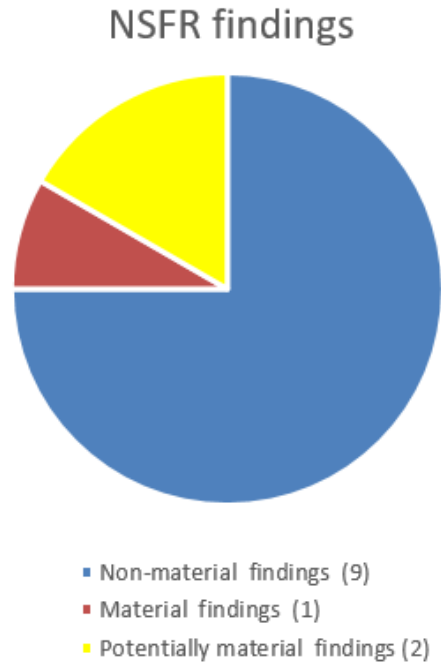
LCR assessments: findings and rectifications



Source: BCBS Secretariat

NSFR assessments – Review underway

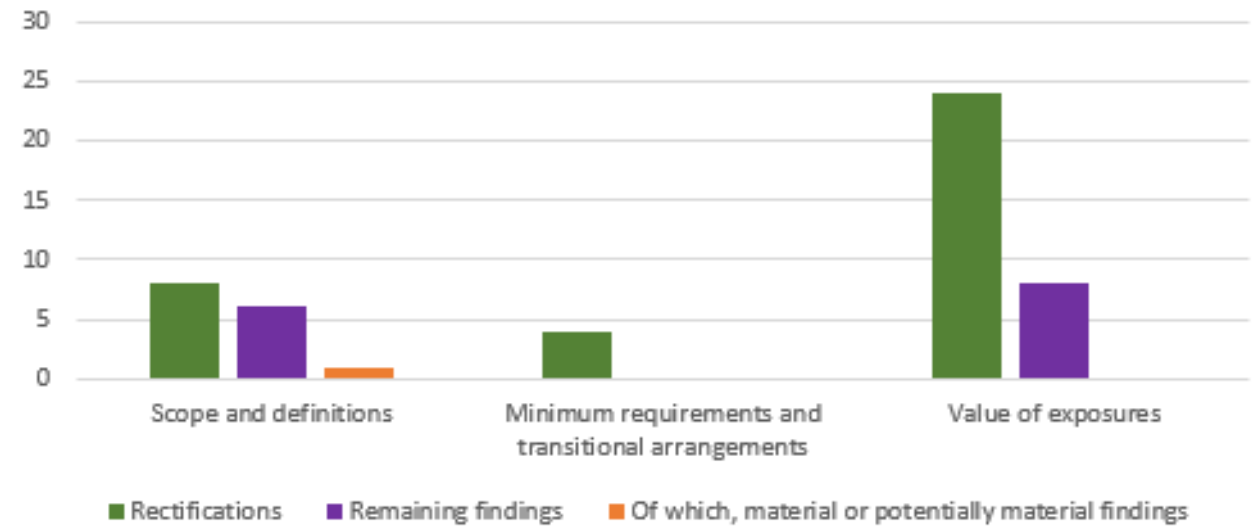
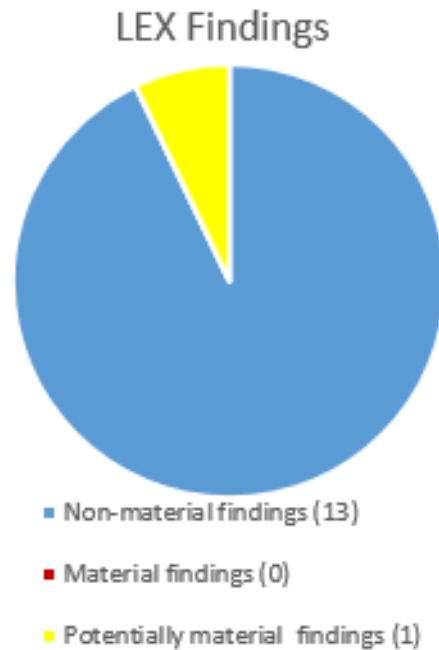
NSFR assessments: findings and rectifications



Source: BCBS Secretariat (as of end-March 2020)

LEX assessments – Review underway

LEX assessments: findings and rectifications



Source: BCBS Secretariat (as of end-March 2020)

Concluding remarks

- The full, timely and consistent implementation imperative
- Generally good progress but no room for complacency
- Focus on standards but guidelines and sound practices also matter
- Not only monitoring implementation but also evaluating effects

Selected resources

- Implementation of Basel standards
<https://www.bis.org/bcbs/implementation.htm>
- RCAP: monitoring reports
https://www.bis.org/bcbs/implementation/rcap_reports.htm
- RCAP methodology, handbook, and self-assessment questionnaires
https://www.bis.org/bcbs/implementation/rcap_role.htm